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For Immediate Release

Friday, November 6, 2009

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## **PRESIDENT OF FIRST FIDELITY MORTGAGE, INC. PLEADS GUILTY TO BANK FRAUD**

*Nichols prepared fraudulent notes by forging signatures of borrowers*

**Shreveport, Louisiana** . . . William Everett Nichols, 56, of Alexandria, La., President and sole shareholder of First Fidelity Mortgage, Inc., pleaded guilty to defrauding Sabine State Bank in Many, La. out of \$2.9 million, United States Attorney Donald W. Washington announced today.

According to court testimony, Sabine State Bank provided a line of credit to First Fidelity Mortgage, monies that were in turn used by First Fidelity to fund mortgages for its customers. This line of credit at Sabine State Bank was secured by the customer notes pledged by First Fidelity.

Nichols devised a scheme by which he prepared fraudulent notes by forging signatures of borrowers and notaries public, and would then deliver them to Sabine State Bank as collateral in order to cause the bank to deposit more money into First Fidelity Mortgage's account. When the bank would deposit funds into the account to fund these loans, Nichols just kept the money for himself. In total, Nichols defrauded the bank out of \$2.9 million.

**(More)**

“Nichols helped himself to millions of dollars of other people’s money through his deceit and deception. Individuals who lie and steal money from banks insured by the American taxpayer should expect to be swiftly prosecuted and punished.” United States Attorney Washington said.

Nichols faces a maximum penalty of 30 years in prison, a \$1,000,000 fine, or both. Sentencing is scheduled for February 4, 2010 at 10:00 a.m. Nichols has been detained without bond since his arrest on this indictment in July 2009.

The case was investigated by the Federal Bureau of Investigation and is being prosecuted by Assistant United States Attorney Alexander C. Van Hook.

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